

BUILD IT AND THEY WILL COME

TOURISM DEVELOPMENT AND EDUCATION

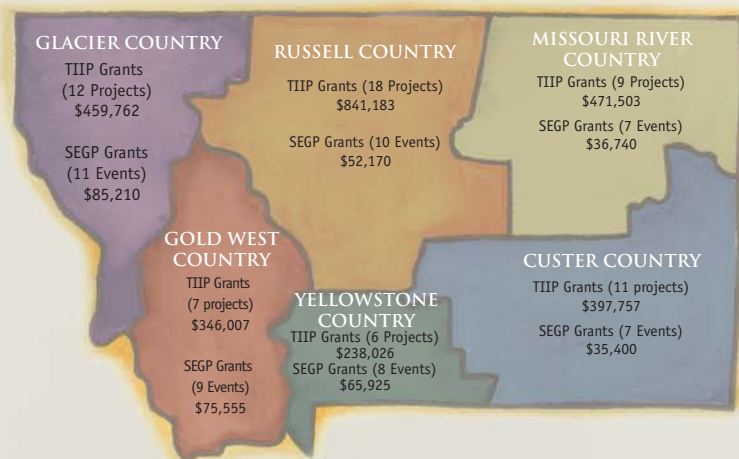


2007 PROGRAM SUMMARY:

Tourism Infrastructure Investment Program (TIIP) and Tourism Facility Grants: \$286,227 for seven tourism-related facility projects valued at \$1.85 million.

- Blaine County Wildlife Museum, Chinook - Grizzly Bear/Moose Encounter Exhibit
- Hobson Museum Project, Hobson - Renovating Historical Building
- The Great Plains Dinosaur Center, Malta - Finish Building Interior, Exhibits and Security
- Musselshell Valley Historical Museum, Roundup - Roofing Project
- Shoofly Historical Center, Cooke City - Construction of new museum, visitor center, public restroom and office facility
- Rocky Boy Powwow Grounds, Box Elder - Renovation and Upgrade of Powwow Grounds
- Horse Capture Community Park and Tourism Center, Fort Belknap Agency - Renovation and upgrade of tourism center facility

OVERALL GRANT PROGRAMS 1995-2007 SUMMARY BY REGION



Statewide TD&E "Bed Tax" Grants
 TIIP Grants (1995-2007) \$2,754,237
 SEGP Grants (2002-2007) \$ 351,000

TIIP Grants leveraged \$33.1 million for tourism facility improvements.
 For grant information and forms visit travelmontana.mt.gov/forms.

- Technical and financial assistance for tourism-related facility projects, events, communities and organizations
- Montana Visitor Information Center program partnership with 9 gateway communities - Culbertson, Dillon, Hardin, Lolo Pass, Broadus, Shelby, St. Regis, West Yellowstone and Wibaux
- Montana Superhost customer service training
- Montana Governor's Conference on Tourism and Recreation (33rd Conference: April 17-18, 2008, West Yellowstone)
- Cultural & Heritage Tourism Development Programs
- Montana Tourism & Recreation Initiative (MTRI)-a multi-agency tourism and recreation cooperative

Special Event Grant Program (SEGP): \$50,000 for new, annual ongoing events in 7 Montana communities.

- Libby - Kootenai River Rodeo
- Hardin - Northern Plains Indian Rodeo Finals
- Hamilton - Bitterroot Birding & Nature Festival
- Deer Lodge - MT Academy of Living History
- Polson - Flathead Fest-of-All
- Dillon - Senior Pro Rodeo
- Great Falls - RiverFest

Crown of the Continent Geotourism MapGuide Project:

Coordinated Montana funding and participation in this international Geotourism project with National Geographic's Center for Sustainable Destinations, SW Alberta and SE British Columbia. The MapGuide and Website Project highlights the unique, authentic and sustainable attractions found in the Crown of the Continent Region surrounding the Waterton-Glacier International Peace Park and the Head-Smashed-In Buffalo Jump World Heritage Sites.



Montana Strategic Plan for Tourism & Recreation 2008-2012:

Coordinated and financed the statewide strategic planning process for the Montana Tourism & Recreation Industry. Over 1,200 Montana citizens, businesses, and organization representatives provided input that helped create this blueprint for actions and resources to promote and develop Montana's tourism and recreation. Review the entire plan at travelmontana.mt.gov/2008strategicplan.

Montana Birding and Nature Trail System:

Provided financial and technical assistance for Russell and Custer Country Birding Trails.



FULFILLMENT

The publications program produces **2.5 million** pieces of literature – guides, planners, brochures and maps – for distribution each year. These publications offer Montana businesses affordable advertising opportunities to reach the travel market. Annual distribution is through direct mail, chambers, visitor centers, consumer shows, conventions and local businesses.

New in 2007 was the **Montana Highway Map**—a larger size makes the text and roads much easier to read and allows for more tourism information, attractions and photos. The map is so helpful, it's now included in all our summer packets.

Other helpful additions for tourists are the **online *Vacation Planner*** and ***Winter Guide***. Check them out at visitmt.dirxion.com and wintermt.dirxion.com.



TECH TALK

INFORMATION TECHNOLOGY

The eMarketing department brought Montana to the computer screens of **over 11 million** summer vacation planners, winter enthusiasts and children, across the world, this last year. Visits to our primary site visitmt.com continued their steady trend upward with a **31% increase** in 2007.

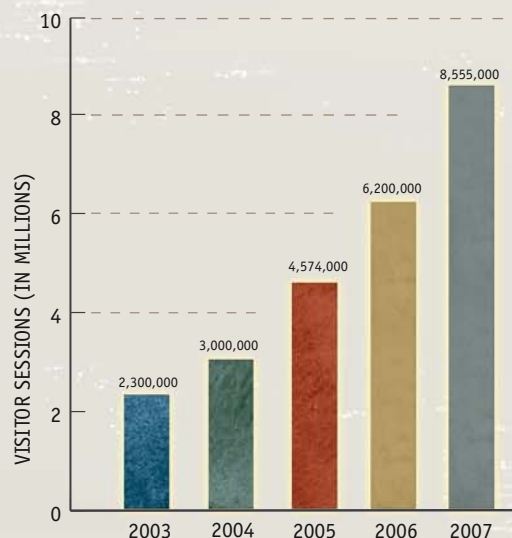
We take a lot of pride in providing the most comprehensive and up-to-date information on sites, services and events, in Montana, available anywhere on the Web. To that end, in 2007 eMarketing enhanced its information infrastructure with the TAO (Tourism Application Optimization) project which allows us to enter fresh data into our database with ease.

We have also been working with our consumer marketing department to more tightly integrate our consumer marketing

campaigns, designs and images with our web sites creating a more recognizable “look and feel” for the consumer. The **redesigned wintermt.com** is the first site to reflect this change. We have also added streaming video and new images to the winter site, to enhance our ski area listings.

Also this year, for our younger visitors, we completely **redesigned montanakids.com**. The site has new graphics, navigation and is packed with great new games and content.

Finally, we have complete development of a new feature to allow users to share their Montana experience and photos with the rest of the world. Look for this on a number of Travel Montana's consumer sites.



BIG SKY MEETS BIG SCREEN

MONTANA FILM OFFICE

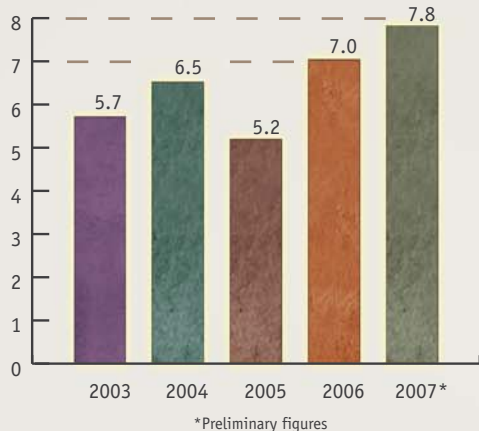


The Montana Film Office promotes Montana as a film, television, documentary and commercial production location through a variety of methods.

2007 Accomplishments:

- Administered the **Big Sky on the Big Screen Act**, which was improved by the 2007 legislature. It offers a 14% tax credit on hired Montana labor and 9% tax credit on qualified expenditures.

MONTANA REVENUE (IN MILLIONS) FROM FILMING



- **Certified 17 new productions** for the tax credit program, 3 of which were feature films that shot in the communities of Belgrade, Ennis, Laurel, Norris, Livingston, Virginia City, and Bozeman.
- Assisted in bringing over 60 film, television, commercial, documentary and still projects to the state leading to approximately **7.8 million new dollars** left in the economy statewide.
- This economic impact generated **202 FTE jobs** in the Montana economy in 2007.
- Direct economic impact from **film production increased 34%** between 2005 and 2006, and we are projecting a healthy **12% increase** for 2007.
- Produced the **Montana Production Guide** listing over 700 Montana businesses and 300 freelance film crew members.
- Maintained and updated montanafilm.com with **web traffic up 25%** with 500,000 user sessions in 2007.
- Implemented a new comprehensive photo, location, and contact database, **Reel-Scout**.
- Produced a map guide and brochure "**Montana Movie Magic**" A tourist's guide to film locations in Big Sky Country for statewide distribution.



RESOURCE RICH MONTANA

ONLINE RESOURCES

MONTANA TRAVEL REGIONS

- custer.visitmt.com - Custer Country
- glacier.visitmt.com - Glacier Country
- goldwest.visitmt.com - Gold West Country
- missouririver.visitmt.com - Missouri River Country
- russell.visitmt.com - Russell Country
- yellowstone.visitmt.com - Yellowstone Country

MONTANA CVBS

- bigskychamber.com - Big Sky
- itsinbillings.com - Billings
- bozemancvb.visitmt.com - Bozeman
- buttecvb.com - Butte
- fcvb.org - Flathead Valley
- greatfallscvb.visitmt.com - Great Falls
- helenacvb.visitmt.com - Helena
- milesitymt.org - Miles City
- missoulacvb.org - Missoula
- destinationyellowstone.com - West Yellowstone
- whitefishchamber.org - Whitefish

WEBSITES MAINTAINED BY TRAVEL MONTANA

- indiannations.visitmt.com - This site is devoted to Montana's Indian Nations.
- lewisandclark.mt.gov - Montana's Lewis and Clark site, devoted to the Corps of Discovery's journey across our state.
- montanafilm.com - The official site of the Montana Film Office, with location photos and information about filming.
- montanagroups.com - The Montana Group Tour Planning Guide, offering information on group tour services.
- montanakids.com - Specifically designed for kids, including games and other fun.
- montanameetings.com - The Montana meeting planner's site, offering information about meeting or convention services and locations.
- travelmontana.mt.gov - Travel Montana's intranet site, offering up-to-date information about the state's tourism industry.

- visitmt.com - Travel Montana's main web site with visitor information and vacation planning assistance.
- wintermt.com - Montana's winter site, covering the pursuit of fun during our snowy season.

OTHER USEFUL SITES

- fwp.mt.gov - Montana Department of Fish, Wildlife & Parks
- mt.gov - Montana online
- nps.gov/glac - Glacier National Park
- nps.gov/yell - Yellowstone National Park
- www.fs.fed.us/r1 - Forest Service, Northern Region
- www.itrr.umt.edu - Institute for Tourism and Recreation Research
- www.mt.blm.gov - Bureau of Land Management





MONTANA

BIG SKY COUNTRY

THE REPORT ON THE
MONTANA TOURISM INDUSTRY

January 2008

“TOURISM IS IMPORTANT TO THE ECONOMY OF OUR STATE AND THE FOLKS AT TRAVEL MONTANA WORK HARD TO PROMOTE OUR GREAT STATE AS A VACATION AND BUSINESS DESTINATION, BRINGING IN PEOPLE FROM ALL OVER THE WORLD TO VISIT OUR LANDMARKS AND COMMUNITIES.”

-GOVERNOR BRIAN SCHWEITZER

Montana Promotion Division Mission Statement

Our mission is to strengthen Montana's economy through the promotion of the state as a vacation destination and film location. By maximizing the combined talents and abilities of its staff, and with guidance from the Governor's Tourism Advisory Council, Travel Montana strives to promote a quality experience to visitors while encouraging preservation of Montana's environment and quality of life.

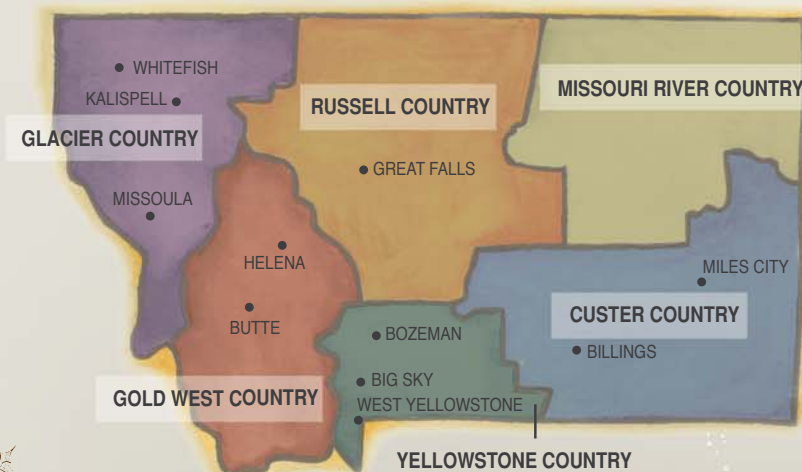
PARTNERSHIPS

The Montana Commerce Department's Promotion Division (Travel Montana and the Montana Film Office) is the statewide program focused on creating and maintaining Montana's positive image as a visitor destination and film location. The program goal is accomplished through various marketing efforts, networking with the state's public and private sector tourism and recreation industry and agencies, along with education and development assistance.

TOURISM PARTNERS

- SIX TOURISM REGIONS
- ELEVEN CONVENTION & VISITOR BUREAUS (CVBs)
- INSTITUTE OF TOURISM & RECREATION RESEARCH (ITRR)
- MONTANA TOURISM & RECREATION INITIATIVE (MTRI)
- MONTANA TRIBAL TOURISM ALLIANCE (MTTA)
- MONTANA HISTORICAL SOCIETY
- MONTANA HERITAGE COMMISSION
- MONTANA PARKS DIVISION

TOURISM REGIONS & CVBS



Tourism Advisory Council

- Advises the Governor
- Advises the Montana Promotion Division
- Oversees tourism research
- Oversees annual marketing plans and distribution of funds to tourism regions and CVBs

Mike Scholz, Chair, Big Sky
Vicki Hucke, Vice Chair, Helena
Cyndy Andrus, Bozeman
Dyani Bingham, Billings
Mark Browning, Miles City
Sandra Cahill, Livingston
Ed DesRosier, East Glacier Park
Rhonda Fitzgerald, Whitefish
Beverly Harbaugh, Jordan
Ramona Holt, Lolo
Stan Ozark, Glasgow
Dolores Plumage, Chinook
Marilyn Polich, Butte
Jonathan Stoltz, Pendroy
Sandy Watts, Garryowen

MARKETING THE MONTANA MYSTIQUE



HIGHLIGHTS OF 2007 PUBLICITY AND PUBLIC INFORMATION PROGRAMS

- Generated **\$13.4 million** in Montana tourism-related publicity attributable to Travel Montana's efforts (domestic and international) in 2006—**up over 16%** from 2005.
- Pitched, coordinated logistics and (in many cases) **hosted over 50 travel journalists** during our busy summer and fall public relations season.
- Assisted Regions and CVBs with their **press trip** efforts with both financial, and where necessary, hands-on support.
- Expanded and refined the content on **Travel Montana's online Pressroom**, pressroom.visitmt.com, which provides media-specific pitches and services to journalists.
- Grew our press list contacts database by 13% and now communicate with **over 1,360 journalists** on a regular basis.
- Revised Travel Montana Update Newsletter to an electronic format reaching over 2,500 recipients.
- Created a multi-media presentation to educate individuals and organizations on the importance of tourism to our state economy and quality of life.

NEWS MEANS VIEWS...AND MORE VISITORS

..... PUBLICITY PROGRAM

Travel Montana's publicity program works with both domestic and international travel media (print, web, broadcast) to communicate our state's enormously diverse tourism stories. We serve as a clearinghouse for information, as well as provide logistical and

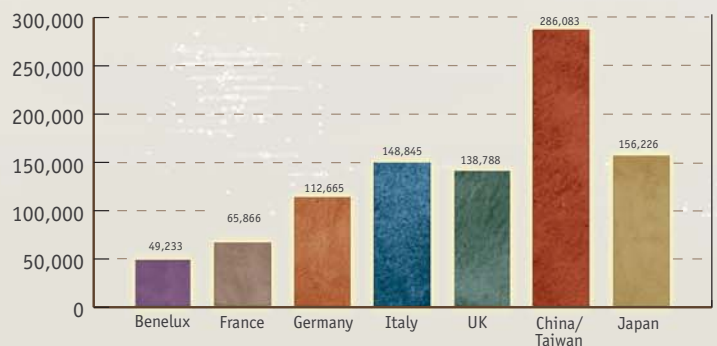
financial assistance to the media producing articles and/or programming on Montana. We provide outreach to the Regions/CVBs in regard to their publicity efforts.

THINK GLOBALLY. MEET LOCALLY.

OVERSEAS MARKETING

The Overseas Marketing Program promotes Montana as a vacation destination to overseas tour operators, travel agents and media. The program works cooperatively with South Dakota, Wyoming and Idaho to market the 4-state region in the United Kingdom, Germany, France, Belgium, Netherlands and Italy. All four states contract with Rocky Mountain International (RMI) to coordinate the marketing efforts. RMI has contracted staff and offices in each of the target countries. The program also works with representatives in Taipei, Taiwan, and Kumamoto, Japan, to promote Montana as a vacation destination to tour operators and media in those countries. New marketing efforts have begun in Scandinavia and Australia through the RMI program.

INTERNATIONAL OVERNIGHTS OFFERED IN MONTANA
(2006-2007)



GROUP TOURS

The Group Travel Program, montanagroups.com provides tour operators with the tools to build a successful Montana tour itinerary and to generate more awareness of statewide group tour product. A fully loaded motorcoach (46 passengers on average) on a charter or tour making an overnight stay contributes an average of **\$5,000 to \$7,500 (USD) per day** to the local economy in expenditures.



MEETINGS AND CONVENTIONS

Montana continues to grow as a key destination for convention and meeting planners nationwide. For FY08, the **"Trade Show Assistance Program"** provides financial support for Regions and Convention & Visitor Bureaus (CVBs) to attend and participate in meeting and convention trade shows. Travel Montana is also coordinating advertising at a reduced rate for interested partners in select M&C publications, websites and direct e-mail. Visit montanameetings.com.

PUTTING ATTRACTION IN ATTRACTIONS

CONSUMER MARKETING



"Travel Montana's advertising budget is \$3.26 million. When compared to other states, Montana's budget ranks 30th."

The consumer marketing program develops advertising and promotional campaigns to positively and uniquely brand Montana, differentiate the state as a travel destination, and increase tourism. Nationwide tourism trends, statistics from the Institute of Tourism and Recreation Research, and the results of contracted research studies help determine the overall marketing strategy.

Due to the increasing costs of traditional media, MPD is continually looking for creative ways to stretch its marketing dollars. 2007 efforts included various public- and private-sector partnerships with:

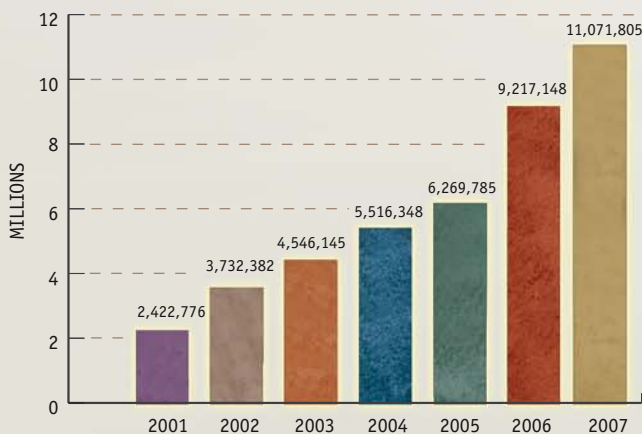
- **3 Parks** (MT, WY, Yellowstone NP, Grand Teton NP & Glacier NP)
- **Sled the Rockies** (MT, ID & WY to promote snowmobiling)
- **Win Your Own Montana Mountain—The North Face and Outside Magazine**
- **Recreational Equipment, Inc. (REI)**

PRINT ADS

Sample list of 2007 publications:

- AAA Publications • AARP-The Magazine • Backpacker
- Bridal Guide • Good Housekeeping • National Geographic Traveler • NWA WorldTraveler • Outside • Reader's Digest • Ski
- Smithsonian • Snowmobile • Sunset • Travel & Leisure

**TOTAL INQUIRIES
(2001 TO 2007)**



TELEVISION SPOTS

2007 National Campaign: "GPS"

- Aired on major networks in key markets of Minneapolis/St. Paul, Chicago & Seattle

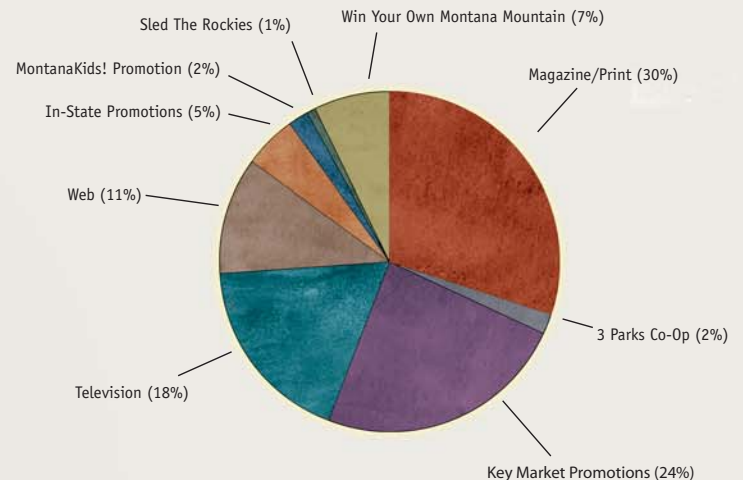
2007 In-state Campaigns: Summer "In Your Backyard" and Governor's "Invite-A-Friend"

- Aired on major networks & cable channels in the six major Montana TV markets

KEY MARKET CAMPAIGNS

- Continued year-round key market campaign in Minneapolis/St. Paul; began winter key market campaign in Seattle, WA
- 2006-07 winter campaign included radio (folksy, humorous spots featuring the voiceover of Gov. Schweitzer), event marketing, out-of-home (billboard), and print advertising
- 2007 summer campaign included "treasure hunts" in both Minnesota and throughout Montana; targeted Minnesota residents and neighboring states via radio, web, TV and print advertising

FY07 ADVERTISING EXPENDITURES



EFFECTIVENESS OF AD CAMPAIGNS

2007 advertising highlights:

- Generated 105,594 inquiries (not including web inquiries)
- Generated over 10.9 million website user sessions

2006 Winter Key Market Research Study:

- \$357,000 winter key market campaign resulted in \$23.8 million in visitor spending
- For every dollar spent on winter key market advertising, \$67 is spent in Montana
- 26% of key market inquiries convert to travelers—a rate 2x more than past national campaigns

Longwoods International evaluated Travel Montana's 2004 Warm Season advertising:

- Investment of \$1.4 million in ad campaigns
- Advertising resulted in \$68 million in visitor spending
- Advertising resulted in 463,000 trips to Montana
- Return on investment: \$3.50 in state and local tax contribution for every dollar spent on media placement

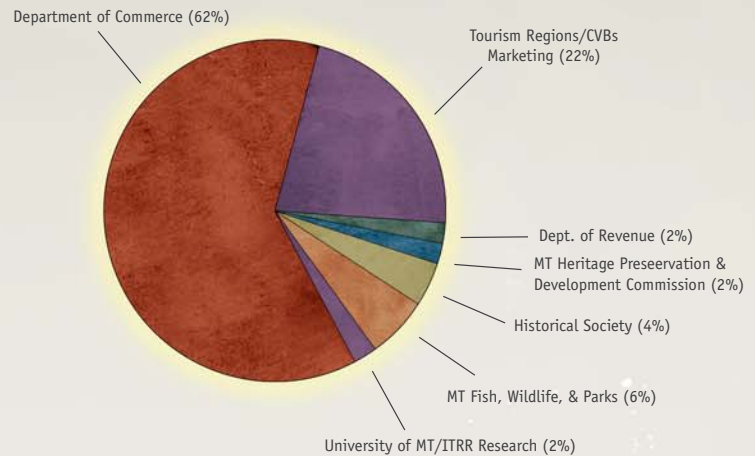
MONTANA'S TOURISM FUNDING

AN INVESTMENT...

In 1987, Montana's legislature recognized the importance of tourism to Montana's future economy. During that session, the legislature created a 4% Lodging Facility Use Tax, commonly referred to today as the "bed tax." Lodging facilities (such as hotels, motels, bed & breakfast inns, guest ranches, resorts and campgrounds) collect this tax from guests. In turn, these funds are directed to the Montana Historical Society, the university system, Montana Fish, Wildlife & Parks, Montana's tourism regions and Convention and Visitors Bureaus (CVBs) and the Department of Commerce for travel and film promotion. Importantly, no additional money for tourism funding comes from Montana's general fund. Twenty years after the legislature created the bed tax, its success is evident. Today, tourism is one of Montana's largest and fastest-growing industries in the state.



FY08 LODGING FACILITY USE TAX DISTRIBUTION

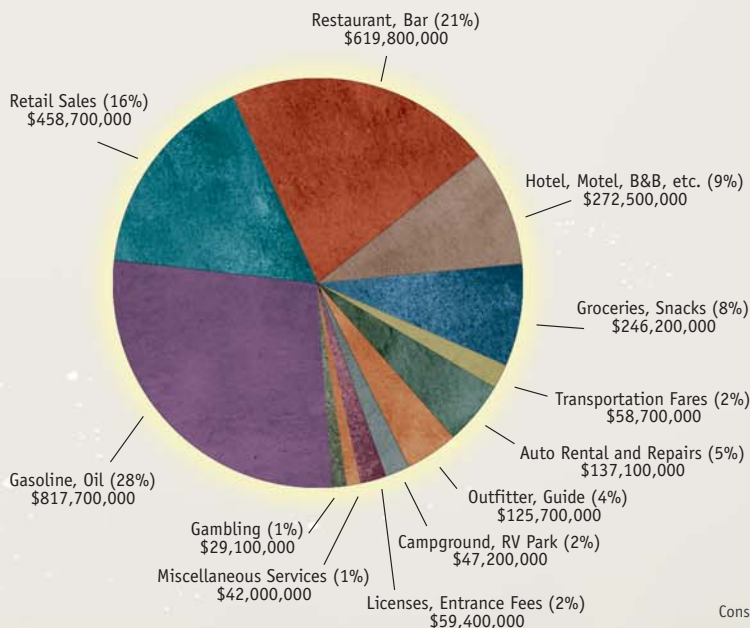


...WITH HIGH RETURNS

- Montana hosted **10.4 million** visitors in 2006 which translates to 11 new customers per Montana resident for Main Street businesses.
- Our visitors spent over **\$2.9 billion** in 2006 which is new money for Montana's economy.
- Tourism and recreation businesses support **48,580 Montana jobs**.
- Non-resident visitors had a total economic impact of **\$4.02 billion** in 2006.
- Visitor spending generated over **\$229 million** in state and local tax revenue in 2006.
- Every bed tax dollar invested in media placement promoting Montana yielded \$3.50 in state and local taxes.* Out of this \$3.50, \$2.12 is returned directly to the state's general fund.

* (2004 Longwoods Study)

**2006 VISITOR EXPENDITURES:
OVER \$2.9 BILLION IN NEW MONEY**



HOW TRAVEL AND FILM PROMOTION FUNDS ARE SPENT (FY08)

